

YAMADA HD and EDION Execute a Memorandum of Understanding Regarding Business Integration—JCR Will Watch Future Developments to Be Reflected in the Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the execution of a memorandum of understanding regarding business integration through a holding company structure between YAMADA HOLDINGS CO., LTD. (security code: 9831) and EDION Corporation (security code: 2730).

- (1) YAMADA HOLDINGS CO., LTD. and EDION Corporation (the "Two Companies") announced on June 5, 2026 that they have agreed to proceed with discussions and consideration relating to business integration (the "Business Integration") and executed a memorandum of understanding. As per the announcement, they will, subject to the approval by resolutions of the respective shareholders' meetings to be held in June 2027 and acquisition of permits and approvals of relevant authorities necessary for the Business Integration, consider and discuss the method of the Business Integration while maintaining the basic policy of establishing a holding company (the "Integrated Company") by way of joint share transfer and making themselves wholly owned subsidiaries of the Integrated Company (the "Share Transfer") and will eventually determine the method by the time the definitive agreement on the Business Integration is executed, which is scheduled for May to June 2027. The Share Transfer is slated to take effect on October 1, 2027.
- (2) The Business Integration is expected to yield such benefits as expanding economies of scale, including reducing purchase costs; enhancing the Two Companies' capabilities of developing PB and SPA products, key focuses of the Two Companies; strengthening the renovation business; enabling the Two Companies to utilize their customer bases; and optimizing the supply chain. That said, as the Two Companies will proceed with consideration and discussions on such matters as the method of the Business Integration going forward, their progress needs to be watched. JCR will also closely watch the effectiveness of synergies and any impact on profitability and finances to be reflected in the rating.

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<Reference>

Issuer: YAMADA HOLDINGS CO., LTD.

Long-term Issuer Rating: A+ Outlook: Stable

Issuer: EDION Corporation

Long-term Issuer Rating: A Outlook: Stable

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